FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1624978-000

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SC6: Area A (Tag: Fredinet)

Computer SC6, a DELL, OPTIPLEX GX 270, serial number 5KT6N31 was seized as evidence.

SC7: Area A (Tag: samaspen01)

Computer SC7, a DELL, OPTIPLEX GX 270, serial number GFT6N31 was seized as evidence.

SC8: Area A (Tag: saminet)

Computer SC8, a DELL, OPTIPLEX GX 270, serial number 59CCN31 was seized as evidence.

SC9: Area A (Tag: samaspen02)

Computer SC9, a DELL, OPTIPLEX GX 270, serial number CFT6N31 was seized as evidence.

SC10: Area B (Inside Home-under desk)

Computer SC10, a DELL, DIMENSION 4600C, serial number BQRYP51 was seized as evidence.

Hedge funds (including BAYOU) typically have total discretion in how and where to invest their money. Hedge funds are not required to file a prospectus with the Securities and Exchange Commission (SEC). Instead, hedge funds generally provide their investors with a Private Placement Memorandum (PPM) and/or an "offering", which explains the fund's investment philosophy. These documents are usually very broadly written in order to give the fund manager as much discretion as possible. BAYOU provides an "offering" to it's investors on a yearly basis. [redacted] advised b6 b7C that BAYOU trades through their own broker/dealer by the name of BAYOU SECURITIES.

In September of 2004, LYDIAN advised all of their clients with money invested in BAYOU (approximately 16 or 17 individual investors) to redeem their money from the BAYOU fund. At LYDIAN's recommendation, every investor filed the requisite redemption notice with BAYOU by 10/01/04. [redacted] stated that approximately b6 $20,000,000.00 was invested in BAYOU, and is now in the process of b7C being redeemed. LYDIAN's clients have not yet received their money from BAYOU. [redacted] noted that BAYOU has 30 days from the redemption notice in order to return funds to the investors.

[redacted] talks with [redacted] on a regular basis. [redacted] b6 stated that [redacted] called him two weeks ago and asked why LYDIAN's b7C clients were redeeming their money from BAYOU. [redacted] told [redacted] that there was an internal compliance issue at LYDIAN that needed to be resolved.

[redacted] knows [redacted] on both a personal and professional b6 level. [redacted] recently saw [redacted] at a social function. [redacted] asked b7C [redacted] why LYDIAN's clients were redeeming their money from BAYOU. [redacted] said [redacted] "pressed me" for approximately one hour on the issue. [redacted] also told [redacted] that there was an internal compliance issue at LYDIAN. [redacted] said [redacted] is "stressing" about LYDIAN's decision to pull out of BAYOU for several reasons. [redacted] has his own money invested in BAYOU. [redacted] left a very reputable and successful investment business in Maryland in order to join BAYOU. [redacted] also opined that "losing" the LYDIAN account is probably costing [redacted] money. [redacted] advised that [redacted] resides in [redacted]

[redacted] stated that BAYOU is LYDIAN's best b6 performing and most compliant hedge fund. [redacted] added that b7C BAYOU is "far more anal" about compliance than any other hedge fund LYDIAN deals with. BAYOU is a relatively small but well known and

respected hedge fund with a lot of institutional investors. [redacted] are aware of two "fund of funds" (funds that invest in other hedge funds) that invest in BAYOU. [redacted] stated that LYDIAN is looking forward to getting its clients' money back into BAYOU. b6 b7C

BAYOU is audited on an annual basis. [redacted] could not recall the name of the accounting firm that conducts BAYOU's audits. b6 b7C

FEDERAL BUREAU OF INVESTIGATION

b6
b7C

Date of transcription 12/06/2004

[redacted] b6 b7C

LYDIAN WEALTH MANAGEMENT, 2600 Tower Oaks Boulevard, Suite 300, Rockville, Maryland, telephone number [redacted] contacted FA [redacted] via telephone on 12/02/04 and provided the following information.

[redacted] recently quit his employment with the BAYOU HEDGE FUND. [redacted] told [redacted] that he was not enjoying his work at BAYOU anymore. [redacted] opined that LYDIAN's decision to pull their client's money out of BAYOU, also had an impact on [redacted] decision to leave BAYOU, as this was one of [redacted] accounts. b6 b7C

[redacted] recently sent out a letter to BAYOU investors stating that he fired two disgruntled employees. One of the terminated employees was a partner at BAYOU. [redacted] said he would forward a copy of this letter to FA [redacted] b6 b7C

[redacted] advised that 90% of their client's money that was invested in BAYOU has been returned to LYDIAN, pursuant to the redemption notices that were sent out in October of 2004. The remaining 10% will be returned to LYDIAN in January of 2005. [redacted] noted that holding 10% until the new year is common practice in the hedge fund industry. b6 b7C

[redacted] stated that LYDIAN needs to reinvest their client's money and that, at this point, [redacted] does not think LYDIAN will invest money with BAYOU anymore. b6 b7C

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UPLOADED
WITH/TEXT
WITH/OUT
BY [redacted]
12/14/04

272B-NY-289364-302 b6 b7C

SEARCHED [redacted] INDEXED
SERIALIZED [redacted] FILED
DEC 6 2004
FBI — NEW YORK
[redacted]

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Investigation on 12/02/04 at White Plains, New York (telephonically)

File # 272B-NY-289364-302; [redacted] Date dictated N/A b3 b6 b7C b7E

by FA [redacted]

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[redacted] WPD

[redacted]

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272B-NY-289264-302

SEARCHED [redacted] INDEXED
SERIALIZED [redacted] FILED
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FBI — NEW YORK
[redacted]

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See [redacted] 1A1-4

[redacted] 30L WAD

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/14/2005

On 1/12/2005, [redacted] DOB [redacted] SSAN [redacted] [redacted] residing at [redacted] home telephone [redacted] cell telephone [redacted] was advised of the identities of the interviewers and provided the following information. Also in attendance were [redacted] attorneys, [redacted] telephone number [redacted] and [redacted] telephone number [redacted] of the law firm PATTON BOGGS LLP, 2550 M Street, N.W., Washington, D.C. 20037.

[redacted] worked for BAYOU SECURITIES, the broker dealer for the BAYOU HEDGE FUND (the BAYOU FUND), for approximately two years and officially left on December 31, 2004, although he unofficially left in late October, 2004. [redacted] job was to bring in individual and institutional accounts to the BAYOU FUND. [redacted] largest account, LYDIAN, left BAYOU in late August, 2004. LYDIAN had approximately $25 million dollars invested in BAYOU, which represented approximately 60-70% of the total dollar amount of [redacted] clients. Altogether [redacted] clients had approximately $40 million dollars in BAYOU. Since LYDIAN was [redacted] primary client, when LYDIAN left BAYOU, [redacted] decided to leave BAYOU as well. [redacted] tried to speak with [redacted] but was unsuccessful. [redacted] spoke with [redacted] to advise [redacted] of his decision.

BAYOU initially had a month to month lease for small office space in Maryland and eventually signed a one year lease. The office space was given up when [redacted] and BAYOU went their separate ways. When [redacted] started working for BAYOU, he initially received a $40,000 a month draw, which subsequently increased to $55,000 a month. [redacted] was paid twice a month (the 15th and 30th) by direct deposit. [redacted] worked on commission and received a W-2 from BAYOU.

[redacted] met [redacted] when both were working on Wall Street. [redacted] was a client of [redacted] and [redacted] was doing business with [redacted] BAYOU. At the time [redacted] was working with MORGAN STANLEY. This was in 1999-2001.

[redacted] advised [redacted] had told [redacted] that [redacted] net worth was being reinvested in the BAYOU FUND. For example, in a typical hedge fund if a fund had $100 million and made $20 million, the fund manager would be entitled to 20% of the earnings which in this

Investigation on 01/12/2005 at Washington, D.C.

File # 272B-NY-289364-302 Date dictated N/A

by SA FA [redacted]

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 b6 b7C

case would be $4 million. According to [redacted] he would reinvest his earnings in the BAYOU FUND. [redacted] advised he is not aware of how [redacted] capitalization in BAYOU works. [redacted] advised he is not familiar with [redacted] compensation. b6 b7C

[redacted] is under the belief that BAYOU, which is run by [redacted] works with a universe of highly liquid United States securities and that BAYOU/[redacted] only buys big listed U.S. stocks. [redacted] impression was formed by conversations with [redacted] and marketing literature. [redacted] advised investors were told that this was where their money was being placed. [redacted] is not aware of any overseas investments by BAYOU. [redacted] believes [redacted] is in charge of investing. [redacted] never heard of BAYOU FUND money going overseas and would be surprised if such a transaction took place, because overseas investments are not within [redacted] understanding of BAYOU's investment approach. [redacted] advised that if money were being invested overseas that should be disclosed to him both as an investor and a salesman. b6 b7C

[redacted] personally invested money in BAYOU. [redacted] closed his account at BAYOU and recently received 90% of his money back. The remaining 10% will be held until the final year end audit by March, 2005, which is typically the case with BAYOU. [redacted] invested approximately $300,000 with BAYOU, which eventually grew to $400,000. b6 b7C

[redacted] advised BAYOU provided generic benchmark marketing materials to show to potential investors. There was no prospectus. b6 b7C

[redacted] has never heard of HUMANITARIAN COALITION AID FOUNDATION (HCAF) or the product ACTION GOLD. [redacted] did not know the name [redacted] however, when shown photographs of [redacted] and [redacted] advised that they were at a meeting in New York City in June, 2004 with LYDIAN. The meeting was requested by LYDIAN because it had $25 million invested in BAYOU and wanted to meet [redacted] arrived late for the meeting, introduced the [redacted] and they left. [redacted] of LYDIAN was in attendance at the meeting. b6 b7C

[redacted] is not aware of any BAYOU money being transferred to Germany in 2004 and advised that such transfers would be outside the representations made to investors. [redacted] advised he is not aware of any money going to [redacted] and would be surprised to learn that $10 million were transferred to [redacted] b6 b7C

b6 b7C

One of the reasons [redacted] left BAYOU was because [redacted] had lost all communication with [redacted] advised that when [redacted] had back surgery in early 2003, he never fully rebounded as far as making himself available. [redacted] went to [redacted] house in the first or second week of December, 2003. [redacted] was dealing only with [redacted] and his contact with [redacted] varied. [redacted] would sometimes talk to [redacted] five times a month and sometimes twice a month. [redacted] advised his last contact with [redacted] was in late September, 2004. [redacted] told [redacted] to call LYDIAN to save the account for BAYOU. [redacted] had spoken to [redacted] LYDIAN's [redacted] at around this time.

b6 b7C

[redacted] BAYOU. When [redacted] decided to leave BAYOU he spoke to [redacted] and did not speak with [redacted]

b6 b7C

[redacted] advised he was not familiar with the names [redacted] POLARIS, [redacted] IMG, IM, ARG, [redacted] SUNTELEO, TRADEWINDS, INTREPID CAPITAL, [redacted]

b6 b7C

[redacted] advised it would be unusual to put a signatory on a BAYOU account, if the person had no authority to be on the account (i.e. not an officer).

b6 b7C

[redacted] advised that when he was initially contacted by the FBI, he conducted an internet search and for the first time realized that [redacted] had an affiliation with RICHMOND FAIRFIELD, the auditors of BAYOU, which [redacted] felt might be a conflict of interest. [redacted] does not know who previously audited BAYOU.

b6 b7C

[redacted] advised that in December, 2004, BAYOU sent out a letter to investors advising that some employees [redacted] believes the names were [redacted] were leaving BAYOU. This was done to squash any rumors that there was a problem at BAYOU.

b6 b7C

[redacted] is currently looking at some start up ventures with some friends.

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JUN 06 2005
FBI — NEW YORK
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[redacted] b6 b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/25/2005

On 05/20/2005, [redacted] DOB [redacted] SSAN [redacted] b6 b7C
home address [redacted]
business address 40 Signal Road, Stamford, CT, cell telephone [redacted]
home telephone [redacted] business telephone (203) 708-6700, being advised of the identities of the interviewers and the nature of the interview provided the following information:

[redacted] advised that the BAYOU FUND is being closed as of the end of June, 2005. A letter notifying investors of the closure is being mailed on Monday, May 23, 2005. The reason stated in the letter is [redacted] health. [redacted] has been diagnosed an is being treated for [redacted] b6 b7C

[redacted] advised that because of the conversion of dollars to euros the money that the BAYOU FUND transferred to Europe in 2004 made 22% for BAYOU because of the dollar losing value against the euro. An account was set up at ODL SECURITIES in London, England and approximately $110 million was eventually transferred from Germany to the account at ODL. Approximately $10 million was transferred back to the United States and the remaining $100 million was transferred to an account at WACHOVIA in Hong Kong where money was made trading notes, currencies, and government issued bonds rated A or better.

[redacted] advised he has set up two charities: one is the AMERICAN ACADEMIES FOR LEARNING and the other is the WARRIOR FUND, which is a charity set up to provide college money for the children of special forces personnel who have been killed. b6 b7C

POSTBANK in Germany is petrified that they will be sued as a result of the problems [redacted] encountered and the excessive fees he was charged. b6 b7C

[redacted] advised his attorney in Germany, [redacted] b6 b7C
charged [redacted] approximately $200,000 in legal fees for working on freeing BAYOU's money from POST BANK and representing [redacted] for his interview before [redacted] explained that the legal fees in Germany are based on the amount of money at issue; therefore, given the high amount at issue ($110 million dollars), [redacted] charged this fee, which [redacted] advised was b7D

Investigation on 05/20/2004 at [redacted]

File # 272B-NY-289364-302; [redacted] Date dictated N/A b3

by SA FA [redacted] b6 b7C b7E

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negotiated down from a higher fee. [redacted] was recommended to [redacted] by [redacted] b6 b7C

[redacted] believes [redacted] is not a thief. [redacted] b6 b7D was employed at one time by BARCLAYS BANK in London, England and has a tremendous knowledge of how banking works. [redacted] checked out [redacted] background with his various contacts. When [redacted] worked at BARCLAYS, BARCLAYS was "ripping off" clients by keeping a good bit of the profits from customers. [redacted] reported a superior to the authorities and BARCLAYS was subsequently penalized and shut out of trading in MTNs (medium term notes). As a result everybody at BARCLAYS was mad at [redacted] opined that [redacted] went up against the system and [redacted] shut him out. [redacted] is now allowed back into the system, but [redacted] does not believe [redacted] will be able to get back into it. [redacted] advised he does not think [redacted] is dishonest because [redacted] made sure every dime was returned to [redacted] does believe [redacted] was attempting to steal the $110 million in the BAYOU FUND that was sent to Germany and [redacted] made sure [redacted] did not take off with [redacted]/BAYOU's money. [redacted] had forged documents to make it appear that [redacted] had more authority with POLARIS than he actually did.

[redacted] did not pay [redacted] for helping [redacted] get BAYOU's money back and preventing [redacted] from stealing it; however, [redacted] did pay for [redacted] travel expenses incurred as result of helping [redacted] in this matter. [redacted] did try to help [redacted] get back on his feet financially, but decided he would not help [redacted] further, because [redacted] did not believe it would be financially beneficial for [redacted]/BAYOU to give [redacted] any more money. b6 b7C

[redacted] was referred to [redacted] by a friend years ago. [redacted] took [redacted] in and tried to get him set up with businesses etc. b6 b7C

[redacted] put [redacted] on the Board of Directors of POLARIS, but did not give [redacted] signatory rights. [redacted] became aware of [redacted] desire to engage in hedge funds at POSTBANK through [redacted] started forging documents on behalf of POLARIS. b6 b7C

[redacted] lived with a woman named [redacted] LNU, who was not his wife. [redacted] took $60,000 from the BAYOU FUND at POSTBANK and b6 b7C

placed it in [redacted] account. [redacted] did not know about this transfer and is trying to get it back. b6 b7C

[redacted] advised POLARIS still exists, although [redacted]/BAYOU have no financial arrangements with it. b6 b7C

[redacted] had an argument with [redacted] in early 2005 in London because [redacted] wanted collateral for the $10 million dollar personal service contract payment to [redacted] advised [redacted] placed $5 million in a joint account in [redacted] and [redacted] name at ODL in London. [redacted] advised that while the $10 million payment is written as a personal services contract, he views it as a loan to [redacted] and expects to be repaid. b6 b7C

In December, 2004 or January , 2005, [redacted] was approached by several persons, including [redacted] who works at Commerce Bank in Dusseldorf, and presented him with stamped bank proof of funds/letters of intent for approximately $20 billion in order to get paper cut. [redacted] took the letters of credit to ABN-AMRO in Amsterdam and discovered that the letters of credit were fraudulent. [redacted] is involved in this deal in some way, although [redacted] is not sure how. b6 b7C

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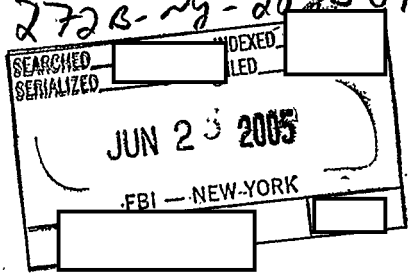

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/07/2005

On June 6, 2005 a conference call was held among [redacted], his attorney [redacted], Special Agent (SA) [redacted] of the ARIZONA ATTORNEY GENERAL'S OFFICE and (SA) [redacted] of the Federal Bureau of Investigation. The conference call was initiated by [redacted] of WACHOVIA BANK. After advising [redacted] and [redacted] of the identity of the interviewing agents, [redacted] and [redacted] provided the following information: b6 b7C

At the beginning of the interview, [redacted] instructed his client, [redacted] to refrain from answering any questions directly and instead, [redacted] answered questions on behalf of [redacted] At some point during the course of the interview, [redacted] advised [redacted] to answer questions directly in order to clarify certain facts of which [redacted] was unaware. [redacted] advised that he did not know many details of the transactions which were the subject of the interview, because he had only been advised of the matter approximately forty five minutes prior to the interview. [redacted] asked if [redacted] was a target of an investigation and SA [redacted] advised that at this time, law enforcement officials are trying to learn more about the circumstances of the various financial transactions involving [redacted] and MAJESTIC CAPITAL MANAGEMENT. b6 b7C

[redacted] stated that [redacted] BAYOU MANAGEMENT (BAYOU), recently made two wire transfers on behalf of BAYOU in the total amount of $100 million. [redacted] stated that the funds were wired from an account at ODL SECURITIES for the purpose of a private placement investment. [redacted] stated that the funds were to be placed in a managed fund at WACHOVIA SECURITIES, HONG KONG and were to be used for the purchase and sale of securities. b6 b7C

[redacted] stated that the first wire transfer in the amount of $99,091,102.18 took place on April 7, 2005 and was sent from the BAYOU account at WACHOVIA SECURITIES, LONDON to WACHOVIA SECURITIES, HONG KONG for credit to the account of GOLDEN SUMMIT INVESTORS GROUP and MAJESTIC CAPITAL MANAGEMENT for the benefit of BAYOU MANAGEMENT and [redacted] stated that [redacted] was to be the sole signatory authority on this account and [redacted] was to be in full control of the funds. b6 b7C

Investigation on 6-6-05 at (telephonically)

File # 196D-NK-112268 Date dictated

by SA [redacted] (Arizona Attorney General's Office) b6 b7C

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[redacted] was asked what prompted [redacted] to place the investment with WACHOVIA SECURITES, HONG KONG. [redacted] stated that since he was not very familiar with the transaction, he suggested that [redacted] address that question. b6 b7C

[redacted] stated that [redacted] introduced him to three brokers from the San Diego area named [redacted] These brokers then introduced [redacted] to [redacted] a firm called CHARLES FINANCIAL. [redacted] stated that [redacted] was also associated with a company known as MAJESTIC CAPITAL MANAGEMENT (MAJESTIC). [redacted] made the arrangements for [redacted] to invest with WACHOVIA SECURITIES, HONG KONG. [redacted] never met personally with [redacted] he provided telephone numbers for [redacted] as [redacted] (home) and [redacted] (cell). b6 b7C

[redacted] stated that he met with [redacted] whose office is located at EMERALD PLAZA, 402 West Broadway, fourth floor, San Diego, California, on one occasion. Her company name is YELLOW SKY VENTURES and her telephone number is [redacted] stated that [redacted] NACOMA CORPORATION located in London. He stated that [redacted] builds houses for the UNITED NATIONS (U.N.) and has a project number from the U.N. b6 b7C

[redacted] stated that he has never spoken with [redacted] of MAJESTIC. His understanding was that [redacted] was in charge of MAJESTIC. b6 b7C

[redacted] stated that [redacted] recently called [redacted] to ask him what his intentions were in connection with his $100,000,000 investment. In response, [redacted] received a letter via e-mail dated June 5, 2005 on the letterhead of MAJESTIC CAPITAL MANAGEMENT. The substance of the letter indicated that the $100,000,000 is the property of BAYOU MANAGEMENT and that MAJESTIC CAPITAL MANAGEMENT has never had any intention to take control of these funds. As a separate attachment to this e-mail, [redacted] received a letter from [redacted] Attorney-at-Law, dated June 3, 2005, addressed to [redacted] of WACHOVIA BANK. The letter requests the release of funds owned by clients of MAJESTIC CAPITAL MANAGEMENT and instructs that the funds should be forwarded to the account of TMA EQUITIES at WELLS FARGO BANK in Oakland, California. [redacted] stated that the letter listed a telephone number for [redacted] as [redacted] but it did not list an address for [redacted] The letter was b6 b7C

not signed and indicated that a copy of the letter was being sent to the client.

[redacted] stated that he has no idea who [redacted] is. b6 b7C

[redacted] stated that he received a wire transfer confirmation via e-mail from ODL SECURITIES regarding the $99,091,102.18 wire to WACHOVIA SECURITES, HONG KONG. He stated that the first time the wire was sent, it was bounced back from WACHOVIA SECURITES, HONG KONG, then resent. [redacted] repeated that he was to have sole control of the account at WACHOVIA SECURITIES, HONG KONG and that no other person should have had control of the money. He stated that it has been his understanding since the wire transfer took place that the funds were being held in an account at WACHOVIA SECURITIES, HONG KONG in the name of BAYOU MANAGEMENT since the date of the wire transfer. b6 b7C

[redacted] stated that he made a second wire transfer to WACHOVIA SECURITIES, HONG KONG in the amount of $810,000. He stated that he made this second wire transfer because the total amount of the private placement with WACHOVIA SECURITIES was required to be $100,000,000. b6 b7C

[redacted] asked about the status of [redacted] funds and stated that he wanted to get the funds returned to [redacted] SA [redacted] advised that the money ($100,000,000) seized by the Arizona Attorney General's Office from the MAJESTIC CAPITAL MANAGEMENT account at WACHOVIA BANK is being held in a bank account under the control of his office. He stated that more information must be obtained before a determination can be made that the money in this account is the same money that [redacted] believed he invested with WACHOVIA SECURIES, HONG KONG. [redacted] stated that he would provide documents in his possession to assist in that determination. b6 b7C

[redacted] was asked by the interviewing agents who the $100,000,000 from the BAYOU FUND belonged to. [redacted] stated that the funds are [redacted] personal money and the money of others. [redacted] did not want to elaborate any further regarding this issue. b6 b7C

[redacted] 3a

[redacted] WPD

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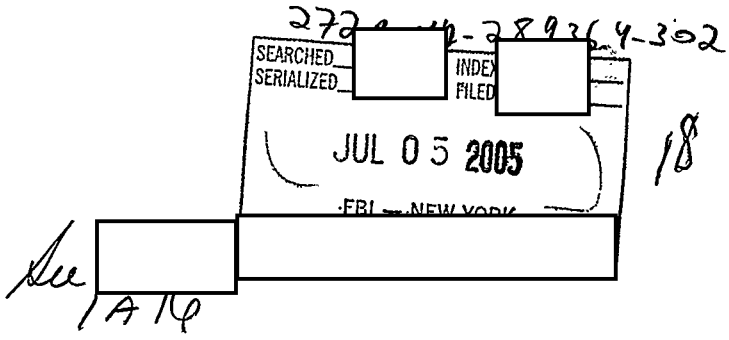
b7C



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See [redacted] AIC

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/01/2005

On 07/01/2005, [redacted] b6 b7C NATIONAL FUTURES ASSOCIATION (NFA), 200 West Madison, Chicago, IL 60606, telephone number [redacted] being advised of the identities of the interviewers and the nature of the interview, provided the following information:

[redacted] advised that the COMMODITY FUTURES TRADING COMMISSION (CFTC) informed the NFA in 2004 about a transaction involving the BAYOU FUND that might represent a possible money laundering transaction. A significant amount of money flowed from BAYOU to Germany and then to London. As a result of these questionable transfers, the NFA conducted an audit of BAYOU in January, 2005. [redacted] advised BAYOU was within six months of a routine audit by the NFA. b6 b7C

[redacted] advised that the audit revealed money went from a BAYOU special account, which is an account containing money from numerous BAYOU accounts, to POSTBANK in Germany and then to ODL in London. [redacted] and [redacted] BAYOU respectively, represented to the NFA that this money was transferred overseas and converted to euros, as a gamble that the euro would appreciate against the dollar. In addition, the money in the POSTBANK account earned interest in Germany. b6 b7C

[redacted] advised the money was transferred to ODL because BAYOU got a better deal. The NFA audit revealed that trades occurred with the ODL account, which was not disclosed by BAYOU. b6 b7C

[redacted] advised that the documents provided by BAYOU purporting to be from POSTBANK did not have any letterhead or other identifying information. POSTBANK declined to provide the NFA with documents citing bank secrecy. [redacted] told the NFA that BAYOU was taking action against POSTBANK because POSTBANK had engaged in unauthorized trades, and commissions were not paid to BAYOU. The NFA became aware that there was trading activity with the POSTBANK account when [redacted] made the foregoing statement. Until that statement was made by [redacted] BAYOU had not indicated any trading had occurred with the POSTBANK account. b6 b7C

[redacted] advised that a list of questions was sent to BAYOU by the NFA and it received a one page e-mail from BAYOU as a

---

Investigation on 07/01/2005 at White Plains, New York (telephonically)

File # 272B-NY-289364-302; [redacted] Date dictated N/A b3

by SA FA [redacted] b6 b7C b7E

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

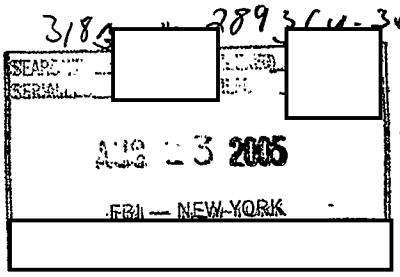
b3
b6
b7C
b7E

response, which [redacted] indicated was not satisfactory.

b6
b7C

[redacted] advised that, although BAYOU does not currently engage in futures trading, by virtue of being registered with the NFA, BAYOU could at some point engage in futures trading.

search 40 ~~301~~



FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/23/2005

On 08/17/2005, [redacted] b6 b7C BAYOU, in the presence of his attorney [redacted] signed a consent to search FD-26 form (a copy of which is attached hereto) for the BAYOU premises located at 40 Signal Road, Stamford, CT. Eleven boxes and miscellaneous paperwork were removed from the location. An inventory was provided to [redacted] (a copy of the FD-597 inventory is attached hereto). Present at the search were Financial Analyst [redacted] and Special Agents [redacted]

Investigation on 08/17/2005 at Stamford, CT

File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted] b6 b7C

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FD-26 (Rev. 7-20-94)

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

CONSENT TO SEARCH

1. I have been asked by Special Agents of the Federal Bureau of Investigation to permit a complete search of:

(Describe the person(s), place(s), or thing(s) to be searched.)

40 Signal Road
Stamford, CT

2. I have been advised of my right to refuse consent.

3. I give this permission voluntarily.

4. I authorize these agents to take any items which they determine may be related to their investigation.

b6
b7C

8/17/05
Date

[redacted]
Signature

Witness

[redacted] SA, FBI, NY

FD-597 (Rev 8-11-94)

Page 1 of 1

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 272B-MY-289364

On (date) 8/17/05

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted] b6 b7C

(Street Address) 40 Signal Road

(City) Stamford, CT

Description of Item(s): [redacted] b6 b7C

clothing & shoes

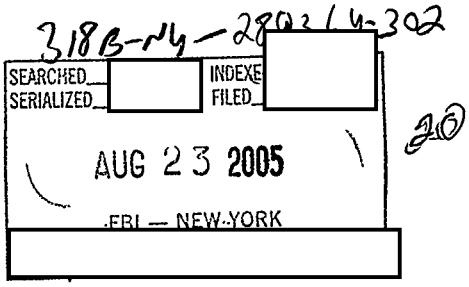
Received By: [redacted] (Signature)

Received From: [redacted] b6 b7C (Signature)

[redacted] 301

b6
b7C

318B-NY-280324-302



20

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/23/2005

On 08/19/2005, [redacted] Counsel for SILVER CREEK, located at 1301 Fifth Avenue, 40th Floor, Seattle, WA 98101, telephone number [redacted] being advised of the identity of the interviewing agent and the nature of the interview, provided the following information: b6 b7C

SILVER CREEK received monthly statements by mail from BAYOU with its capital account balance. SILVER CREEK also received monthly newsletters showing the monthly performance of the BAYOU FUND. The year end financial statements from BAYOU weree mailed to SILVER CREEK.

Investigation on 08/19/2005 at White Plains, New York (telephonically)

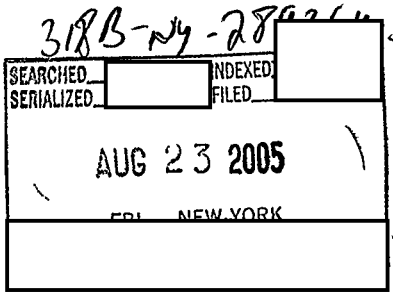
File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] 301

b6
318B-NY-28[redacted] 302 b7C



21

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/23/2005

On 08/19/2005, [redacted] General Counsel for STERLING STAMOS (the successor to SP CAPITAL), located at 575 Fifth Avenue, 40th Floor, New York, N.Y. 10017, telephone number [redacted] being advised of the identity of the interviewing agent and the nature of the interview, provided the following information: b6 b7C

STERLING STAMOS is a fund of funds and has approximately 60-70 million dollars invested in the BAYOU FUND. Approximately five months ago STERLING STAMOS requested full redemption and eventually received 90% of the redemption with the remaining 10% held back in accordance with the terms of the Fund. The 10% hold back is approximately $6 million.

On August 11, 2005 STERLING STAMOS received a letter advising that the BAYOU FUND was closing, the distribution would be occurring in August and the BAYOU offices would be open until the end of October, 2005. [redacted] advised that he has heard BAYOU has closed and that checks are bouncing. [redacted] advised that distribution by check is unusual. b6 b7C

[redacted] told STERLING STAMOS that [redacted] advised [redacted] that [redacted] lawyer told [redacted] he should not speak with anybody.

Investigation on 08/19/2005 at White Plains, New York (telephonically)

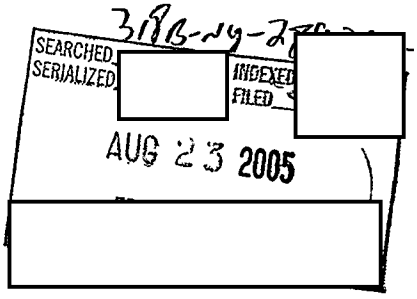
File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] 301

318-24-2[redacted] 302 b6 b7C



FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/23/2005

On 8/19/2005, [redacted] DOB [redacted] residing at [redacted] cell phone number [redacted] being advised of the identity of the interviewing agent and the nature of the interview, provided the following information: b6 b7C

[redacted] BAYOU located at 40 Signal Road, Stamford, CT. The landlord for 40 Signal Road, [redacted] called the Stamford Police Department because of all the calls coming into BAYOU regarding that status of the BAYOU Fund. [redacted] estimates BAYOU received between 20-25 telephone calls from investors. The Stamford police advised that [redacted] 40 Signal Road. b6 b7C

[redacted] visited 40 Signal Road and advised he was an investor in BAYOU. [redacted] advise he went to [redacted] residence on August 18, 2005, and the residence appeared to be empty. b6 b7C

[redacted] called [redacted] last night (August 18) and [redacted] began to cry and told [redacted] he could not talk to him. b6 b7C

[redacted] was at [redacted] home at [redacted] as recently as yesterday (August 18) because he was supposed to meet somebody from the TRUMP organization, which is the owner of [redacted] did not see [redacted] on that occasion. b6 b7C

[redacted] was at the "chapel house" which is adjacent to the main residence on either Monday (August 15) or Tuesday (August 16) and advised [redacted] still has his office and computers in the "chapel house." Approximately 7 to 10 days ago the computers in the "chapel house" had their contracts terminated with outside investment services such as REUTERS and BLOOMBERG, because the BAYOU FUND was closing. The last time [redacted] was in [redacted] bedroom was a few weeks ago and [redacted] observed papers and faxes in the bedroom. b6 b7C

As recently as yesterday (August 18) [redacted] observed papers and a computer on the second floor landing in the residence.

Investigation on 08/19/2005 at White Plains, New York (telephonically)

File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

 b6 b7C

[redacted] advised [redacted] traded for the BAYOU FUND from his office in the "chapel house." b6 b7C

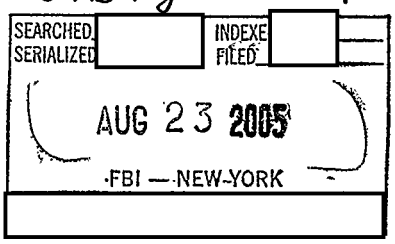
[redacted] advised [redacted] e-mail account is [redacted] b6 b7C

[redacted] advised one of the investors, [redacted] (PH) from the HENNESEY GROUP, was looking for [redacted] who was an employee of BAYOU involved in customer relations. b6 b7C

[redacted] last received a paycheck from BAYOU on August 15, 2005. b6 b7C

Serial 52.301

318B-NY-289364-302



b6
b7C

23

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/23/2005

On 08/22/2005, [redacted] BAYOU, in the presence of his attorneys [redacted] of the firm MORVILLO, ABRAMOWITZ, GRAND, IASON & SILBERBERG, signed a consent to search FD-26 form (a copy of which is attached hereto) for [redacted] residence and office located at [redacted] Numerous documents and ten computers were removed from the location. An inventory was provided to [redacted] (copies of the FD-597 inventories is attached hereto). Present at the search were Financial Analyst [redacted] and Special Agents [redacted] and two agents from CART.

b6
b7C

Investigation on 08/22/2005 at [redacted]

File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted]

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-26 (Rev. 7-20-94)

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

CONSENT TO SEARCH

1. I have been asked by Special Agents of the Federal Bureau of Investigation to permit a complete search of:

(Describe the person(s), place(s), or thing(s) to be searched.)

[redacted] main house and "Chapel House" adjacent to it and any computers contained therein. b6 b7C

2. I have been advised of my right to refuse consent.
3. I give this permission voluntarily.
4. I authorize these agents to take any items which they determine may be related to their investigation.

8-22-05 [redacted] b6 b7C
Date Signature

Witness [redacted] SA, FBI, NY

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

#1

File # 318B-NY-289364

On (date) 8/22/2005

item(s) listed below were:
- ☑ Received From
- ☐ Returned To
- ☐ Released To
- ☐ Seized

(Name) [redacted] b6 b7C

(Street Address) [redacted]

(City) [redacted]

Description of Item(s): [redacted] b6 b7C

Nothing follows

Received By: [redacted] (Signature)

Received From: [redacted] (Signature) b6 b7C

FD-597 (Rev 8-11-94) Page 1 of 1

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized #2

File # 318B-NY-289364

On (date) 8/22/2005 item(s) listed below were:

- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted] b6 b7C

(Street Address)

(City)

Description of Item(s): [redacted] b6 b7C

Received By: (Signature)

Received From: [redacted] b6 b7C
(Signature)

FD-597 (Rev 8-11-94)

Page 1 of 1

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

#3

File # 318B-NY-289364

On (date) 8/22/2005

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted] b6 b7C

(Street Address)

(City)

Description of Item(s): [redacted] b6 b7C

Received By: [redacted] (Signature)

Received From: [redacted] (Signature) b6 b7C

FD-597 (Rev 8-11-94)

Page 1 of 1

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-289364 #4

On (date) 9/22/2005

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted] b6 b7C

(Street Address)

(City)

Description of Item(s): [redacted] b6 b7C

Nothing follows

Received By: [redacted] (Signature)

Received From: [redacted] (Signature) b6 b7C

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-289364

On (date) 8/22/2005

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) b6 b7C

(Street Address)

(City)

Description of Item(s): b6 b7C

b6 b7C

Received By: (Signature)

Received From: b6 b7C

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-299364 CABINET

On (date) 8/22/05

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☐ Released To
- ☐ Seized

(Name) [redacted] b6 b7C

(Street Address)

(City)

Description of Item(s): [redacted] b6 b7C

Received By: SA [redacted] b6 b7C

Received From: [redacted]
(Signature)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-289364

On (date) 8/22/05

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted] b6 b7C

(Street Address) [redacted]

(City) [redacted] b6 b7C

Description of Item(s): [redacted]

[redacted] b6 b7C

8/22/05

Received By: [redacted] (Signature)

Received From: [redacted] (Signature) b6 b7C

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-289364

On (date) 8/22/05

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) b6 b7C

(Street Address)

(City)

Description of Item(s): b6 b7C

b6 b7C

Received By: (Signature)

Received From: (Signature)

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-289364 ROOM A {3 piles of paper} Desk

On (date) 8/22/2005 item(s) listed below were:

- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) b6 b7C

(Street Address)

(City) b6 b7C

Description of Item(s):

SA

- NYO/WFO

b6 b7C

Received By: (Signature)

Received From: (Signature) b6 b7C

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 318B-NY-289364

On (date) 8-22-05

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) X

(Street Address) X

(City) X

b6
b7C

Description of Item(s):

b6
b7C

Nathaniel Pollard

b6
b7C

Received By: _____ Received From: _____

(Signature)

[redacted] 302

318A-NY-289364-36 b6 b7C

SEARCHED [redacted] INDEXED
SERIALIZED FILED

AUG 30 2005

FBI — NEW YORK

[redacted]

24

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/30/2005

On 8/18/2005, [redacted] DOB [redacted] residing at [redacted] cell phone number [redacted] being advised of the identity of the interviewing agent and the nature of the interview, provided the following information: b6 b7C

[redacted] advised [redacted] called [redacted] today (08/18/2005) and said he ([redacted] was working on the problem regarding investors. When [redacted] called [redacted] to tell him a police officer had showed up, [redacted] advised he was working on straightening up the "mess." [redacted] advised a lot of investors are calling BAYOU. [redacted] handles contracts and vendors for BAYOU. b6 b7C

Investigation on 08/18/2005 at White Plains, New York (telephonically)

File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted] b6 b7C

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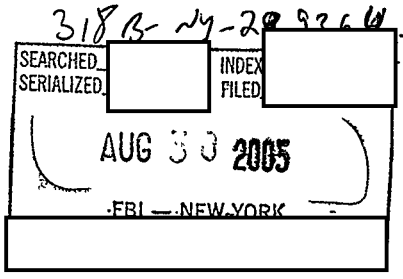
[redacted] -302

318B-NY-292266

b6
b7C



25

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/30/2005

On 08/25/2005, [redacted], DOB [redacted] b6 b7C
SSAN [redacted] residing at [redacted] being advised of the identities of the interviewing agent and the nature of the interview, provided the following information:

[redacted] advised that BAYOU had good years and bad years trading. [redacted] was not aware of investors having trouble retrieving their money. [redacted] advised he never saw the books and records of BAYOU. b6 b7C

Investigation on 08/25/2005 at White Plains, NY (telephonically)

File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted] b6 b7C

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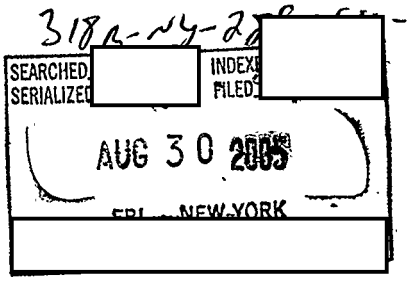
[redacted] 307

318A-NY-2[redacted]-302 b6 b7C



2k

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/30/2005

On 08/25/2005, [redacted] DOB [redacted] b6
SSAN [redacted] residing at [redacted] being b7C
advised of the identities of the interviewing agents and the nature of the interview, provided the following information (also present during the interview was [redacted]:

[redacted] received a call a week ago from [redacted] b6
advising [redacted] that the BAYOU FUND was winding down. [redacted] had b7C
previously worked and invested in BAYOU. [redacted] was about to enter into litigation with BAYOU because he had an investment and he felt he was owed money.

[redacted] advised BAYOU was formed in 1996. [redacted] b6
had worked as [redacted] from April, 1991 to mid 1992 for [redacted] at b7C
[redacted] company, JGM MANAGEMENT, located at 405 Park Avenue, New York, New York. In 1995 [redacted] closed JGM MANAGEMENT. In late 1995 or early 1996, [redacted] advised [redacted] that he was forming a new investment fund. [redacted] was supposed to be a partner in the fund (BAYOU); however, that never occurred and [redacted] became a consultant providing research to BAYOU. [redacted] compensation was $12,500.00 a month. [redacted] initially traded for BAYOU but stopped trading in late 1999 or 2000. [redacted] had a phased withdrawal from BAYOU and stopped consulting for BAYOU in 2001. In late 1999 or early 2000 [redacted] moved to an office across the street from BAYOU and continued to clear trades through BAYOU for a short period of time. In late 2001 [redacted] terminated all ties with BAYOU. [redacted] advised he has not seen [redacted] for three and one half years.

[redacted] worked at b6
BAYOU. b7C

[redacted] was [redacted] tax accountant in the mid-1980s. From 1991-1995 [redacted] was [redacted] JGM MANAGEMENT.

[redacted] advised he had nothing to do with BAYOU's b6
compensation packages or its corporate set up and control. [redacted] b7C
never signed paychecks for BAYOU. [redacted] took out a $50,000 line of credit with GREENWICH BANK for capitalization of BAYOU, because

Investigation on 08/25/2005 at [redacted] b6 b7C

File # 318B-NY-289364-302 Date dictated N/A

by SA [redacted]
SA

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

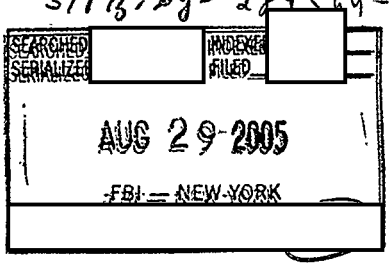
 b6 b7C

[redacted] was contemplating being a partner in BAYOU. [redacted] does not believe there was a draw on the line of credit. b6 b7C

[redacted] registered with the NASD in the past year. [redacted] provides strategic advice to small companies and start-ups and places them in contact with investors. [redacted] current company is HMRLP d/b/a HIGHLY MOTIVATED RESEARCH, P.O. BOX 450, Cos Cob, CT. [redacted] advised he works out of an office located at his residence. b6 b7C

318A-NY-229264-302

b6
b7C



27

See [redacted] 30

1A294

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/22/2005

Computer Analysis Response Team (CART)
Report of Examination

The following search was conducted by Computer Analysis Response Team (CART) Forensic Examiners (FE) pursuant to a consent to search signed by [redacted] tenant of the location: b6 b7C

[redacted]

SC1: Area A (server closet)

Computer SC1, a DELL, PRECISION 340, serial number JSWZJ21 was seized as evidence.

SC2: Area A (server closet)

Computer SC2, a DELL, OPTIPLEX GX 270, serial number 4KT6N31 was seized as evidence.

SC3: Area A (server closet)

Computer SC3, a DELL, OPTIPLEX GX 270, serial number 8KT6N31 was seized as evidence.

SC4: Area A (far right of work desk)

Computer SC, a DELL, OPTIPLEX GX 270, partial serial number (???)CN31 was seized as evidence.

SC5: Area A (Tag: FredSLK)

Computer SC5, a DELL, OPTIPLEX GX 270, serial number C9CCN31 was seized as evidence.

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 10/25/2004

[redacted], and [redacted] LYDIAN WEALTH MANAGEMENT, 2600 Tower Oaks Boulevard, Suite 300, Rockville, Maryland, telephone number [redacted] were telephonically interviewed on 10/25/04 by SA [redacted] and FA [redacted]. After being advised of the identities of the interviewers and the nature of the interview, [redacted] provided the following information.

LYDIAN WEALTH MANAGEMENT (LYDIAN) is a subsidiary of the LYDIAN TRUST COMPANY. LYDIAN provides investment consulting services (ie. investment planning, portfolio construction, wealth strategies, etc.) to it's clients. LYDIAN is not a brokerage house, and therefore, LYDIAN does not execute trades on behalf of its clients, rather it recommends various investment opportunities to its clients.

LYDIAN began recommending the BAYOU HEDGE FUND as an investment to it's clients in November or December of 2003. LYDIAN was introduced to BAYOU by [redacted] who has an excellent reputation in the investment industry, is BAYOU's [redacted] stated that he, [redacted] LYDIAN, made the ultimate decision to invest in BAYOU.

[redacted] believe that BAYOU invests primarily in traditional investment vehicles within the United States, such as: stocks, silver, options, and "T" bills. [redacted] noted that BAYOU may invest in some commodities overseas via offshore accounts, however, they believe that the majority of BAYOU's investments are within the United States. [redacted] beliefs are based on representations made by [redacted] (BAYOU's [redacted], as well as documentation provided by BAYOU. [redacted] stated that as a hedge fund, BAYOU is not required to disclose their investments to their investors and that BAYOU has no obligation to provide "transparency". BAYOU does provide, however, a newsletter on a weekly basis which identifies some of the trades executed during the prior week. [redacted] noted that BAYOU is the only hedge fund that LYDIAN deals with that sends out a weekly newsletter.

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Investigation on 10/25/04 at White Plains, New York (telephonically)

File # 272B-NY-289364-302; [redacted] Date dictated N/A

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by FA [redacted] SA

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1624978-000

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Page 8 ~ b6; b7C; b7E;
Page 9 ~ b6; b7C; b7E;
Page 10 ~ b6; b7C; b7E;
Page 11 ~ b6; b7C; b7E;
Page 12 ~ b6; b7C; b7E;
Page 13 ~ b6; b7C; b7D; b7E;
Page 14 ~ b4; b6; b7C; b7E;
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To: International Operations From: Berlin
Re: [redacted] 10/13/2004 b3 b7E

LEAD(s):

Set Lead 1: (Info)

INTERNATIONAL OPERATIONS

AT IO1, DC

Read and clear.

Set Lead 2: (Action)

NEW YORK

AT WHITE PLAINS, NY

Conduct checks to determine [redacted] b7D

[redacted]

Provide results to Legat Berlin for passage [redacted] b7D

[redacted]

Set Lead 3: (Action)

BERLIN

AT HAMBURG, GERMANY

Obtain a translation of [redacted] b6
[redacted] Forward translation, along with accompanying documents b7C
provided by [redacted] to FBI White Plains. b7D

ShInfEC.wpd
♦♦

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A criminal history check of

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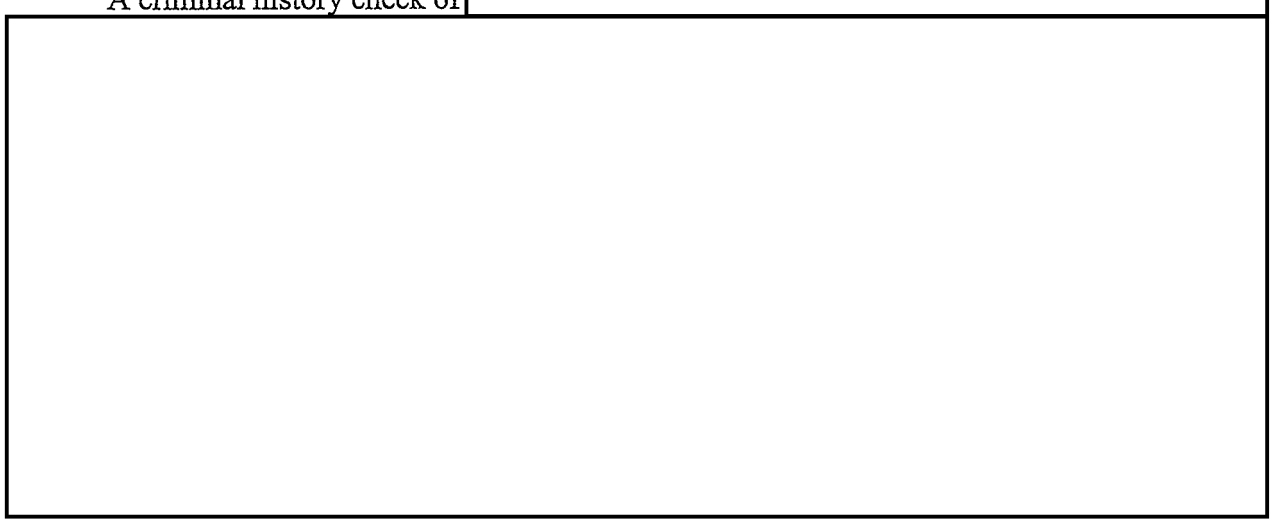

A criminal history check for

b6
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A criminal history check of [redacted] b6 b7C

[redacted]

A check of FBI data bases revealed [redacted] b6 b7C b7D

[redacted]

Additionally, Bayou Management LLC was the subject of a consent order from the State of Connecticut, Department of Banking, wherein Bayou was fined $7,500 for maintaining records which did not fully reflect the securities business transacted by Bayou.

The WPRA was also asked to contact the [redacted] regarding b7E

[redacted]

The WPRA has concluded that based on the information outlined above, it appears that Bayou Management, [redacted] have been involved for many years in questionable financial activities and further investigation by the FBI is warranted. b6 b7C

Please be advised that Assistant Legal Attache [redacted] will be the point of contact for any additional issues concerning this matter.

Mit Freundliche Gruessen,

[redacted] b6 b7C

Acting Assistant Legal Attache

Enclosures

[redacted]

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U.S. Department of Justice

Federal Bureau of Investigation

File No. [redacted] b3
272B-NY-289364 b7E

Office of the Legal Attache
Clayallee 170
14195 Berlin

19 August 2004

[redacted] b6 b7C b7D

Dear [redacted]

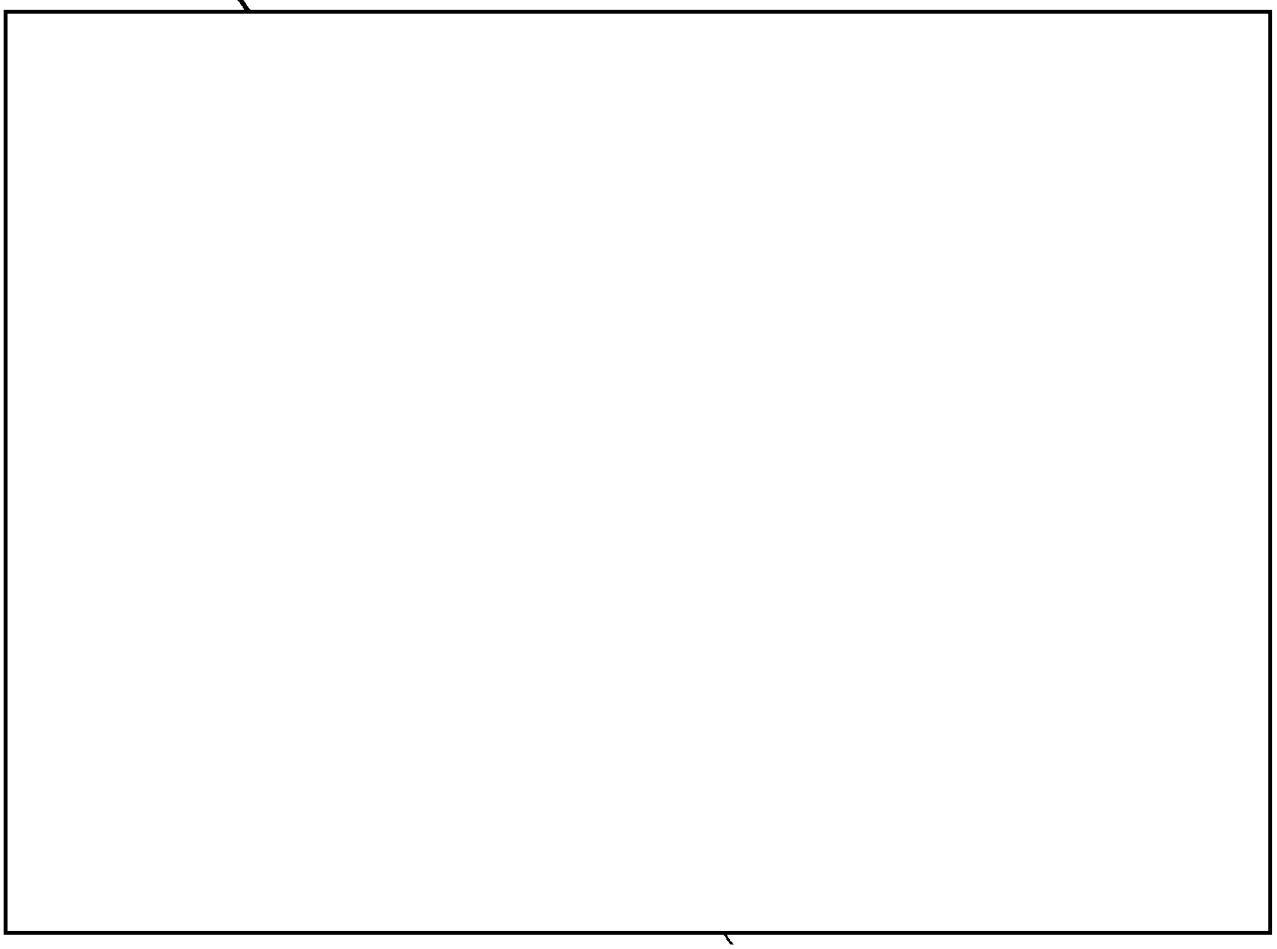
In response to your earlier request for FBI assistance into the suspected money laundering activities of [redacted] and Bayou Management LLC, the White Plains Resident Agency (WPRA) of the FBI New York Office has opened a Money Laundering investigation (FBI Case file #: 272B-NY-289364) on [redacted] and his associates: [redacted] (Date of Birth: [redacted]) and [redacted] aka [redacted] (Date of Birth: [redacted]) b6 b7C

The WPRA investigation to date has determined that [redacted] b6 b7C b7E

1 - Addressee
[redacted]
1 272B-NY-289364-2
[redacted]

272B-NY-289364-2 b3
SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
SEP 23 2004
FBI — NEW YORK
[redacted] b6 b7C b7D b7E

~~LAW ENFORCEMENT SENSITIVE~~



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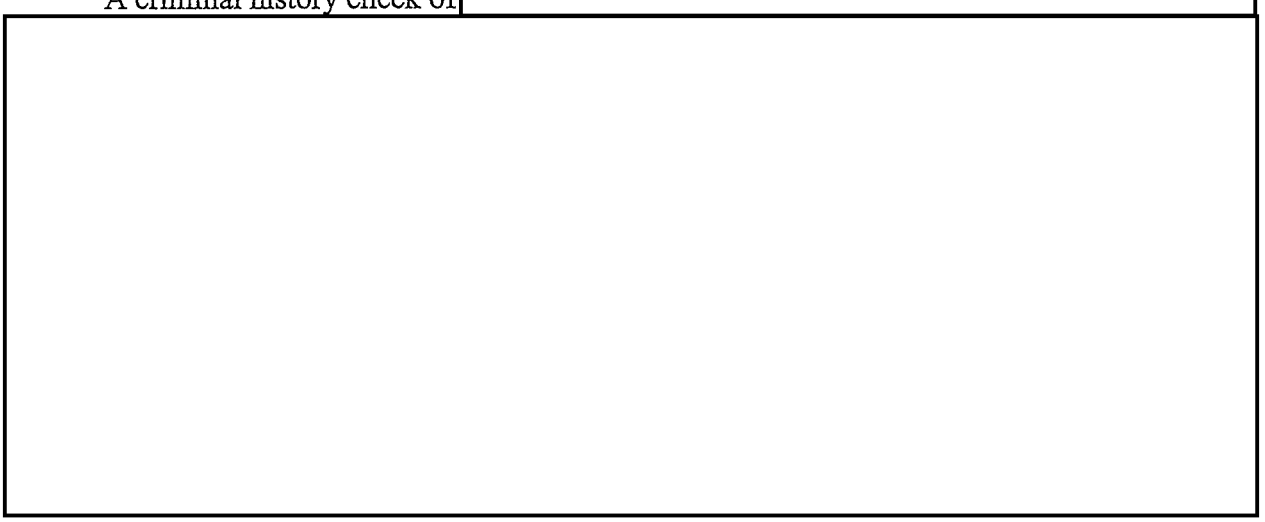
A criminal history check of



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A criminal history check for

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A criminal history check of

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LAW ENFORCEMENT SENSITIVE

[redacted] b6 b7C

A check of FBI data bases revealed [redacted] b6 b7C

[redacted]

Additionally, Bayou Management LLC was the subject of a consent order from the State of Connecticut, Department of Banking, wherein Bayou was fined $7,500 for maintaining records which did not fully reflect the securities business transacted by Bayou.

The WPRA was also asked to contact the [redacted] regarding

[redacted] b7E

The WPRA has concluded that based on the information outlined above, it appears that Bayou Management, [redacted] have been involved for many years in questionable financial activities and further investigation by the FBI is warranted. b6 b7C

Please be advised that Assistant Legal Attache [redacted] will be the point of contact for any additional issues concerning this matter. b6 b7C

Mit Freundliche Gruessen,

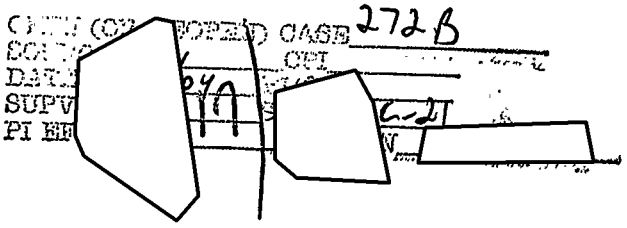
[redacted] b6 b7C

Acting Assistant Legal Attache

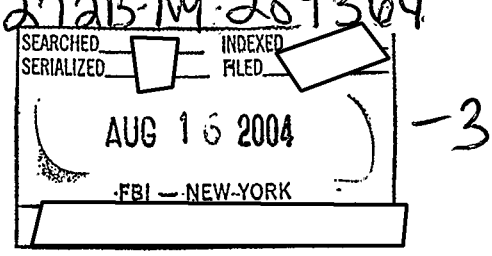
Enclosures
(Same as encl. for serial 1)

~~LAW ENFORCEMENT SENSITIVE~~

Opening ec



272B-NY-289364



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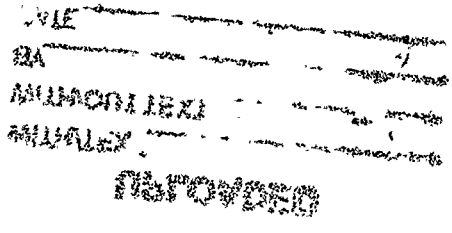

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/16/2004

To: New York

From: New York
C-21/White Plains RA
Contact: SA

Approved By:

Drafted By:

b6
b7C
b7E

Case ID #: 272B-NY-~~NEW~~ 289364

Title:
BAYOU MANAGEMENT;
OO:NY

UPLOADED
WITH/TEXT
WITH/OUT TEXT
BY
DATE 8/20/04

Synopsis: Open and assign case.

Details: The above referenced case involves suspected money laundering activity on the part of (DOB

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b6
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b7D
b7E

On 07/19/2004, $6,000,000 was transferred to three different bank accounts in the names of (DOB and/or (DOB . Two of the accounts were overseas. In addition $4,000,000 was transferred to the firm SUNTLEO/London with an account in Liechtenstein. The rest of the approximately $110 million has not been transferred.

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An EC dated 08/09/2004 from Legat Berlin contains information making reference to The EC advises

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[redacted] b7E

[redacted] b6 b7C b7E

All of this activity is deemed suspicious.

It is believed that [redacted] residence is [redacted] b6 b7C

Based on the foregoing suspicious activity, it is requested that a case be opened and assigned to SA [redacted]

♦♦

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/20/2004

To: New York **Attn:** White Plains RA
SA [redacted] b6 b7C

London

International Operations OI 1
SSA [redacted]

[redacted]

From: Berlin
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] b3 b6 b7C b7E

Case ID #: 272B-NY-289364 (Pending) -4
[redacted]

Title: [redacted]
BAYOU MANAGEMENT;
OO:NY

Synopsis: To set leads and provide information.

Reference: 272B-NY-289364 Serial 3

Enclosure(s): Enclosed for New York/White Plains Resident Agency are copies of documents obtained from [redacted] b7D

[redacted]

Details: Referenced Berlin Electronic Communication provided initial information, developed by [redacted] b6 b7C b7D
[redacted] that captioned subject and others may be involved in international money laundering scheme. This communication also forwarded an urgent request [redacted] for assistance from the FBI in this investigation. Based on this information, the New York Office, White Plains RA (WPRA), opened an investigation and began forwarding information, via Legat Berlin, [redacted]

[redacted]

On 08/12/2004, Acting/Assistant Legal Attache [redacted] b6 b7C b7D attended a coordination meeting at [redacted] in [redacted] This meeting was attended by [redacted]

UPLOADED
WITH/TEXT ✓
WITH/OUT TEXT
BY Berlin
DATE 8/24/04

272-NY-289364-4

SEARCHED
SERIALIZED
INDEXED
FILED
OCT 18 2004
FBI — NEW YORK

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[redacted] b7D

U.S. Department of Homeland Security/U.S. Immigration and Customs Enforcement (ICE) Attache's Office, and representatives from [redacted] The focus of the meeting was to share initial information and discuss pursuing a joint investigation.

At the meeting, [redacted] b7D

[redacted] All parties expressed a desire to work jointly in this investigation.

In the meantime, [redacted] have b7D forwarded several requests for investigative information through Legat Berlin. These requests have been predominately directed towards the WPRA, who has aggressively attempted to satisfy these requests.

In that same vein, [redacted] has forwarded another b7D series of four questions pertaining directly to [redacted] b7E [redacted] The following is a summary translation of the applicable portion of the fax from [redacted] containing the questions:

Beginning of Summary Translation by SA [redacted] b6 b7C b7D b7E

[redacted]

[redacted] b6 b7C b7D b7E

[redacted]

b6
b7C
b7D
b7E

End of Summary Translation.

In clarification, [redacted] investigators are curious about the circumstances surrounding [redacted]

b6
b7C
b7D

[redacted]

Secondly, [redacted] investigators are intrigued about

b6
b7C
b7D
b7E

[redacted]

LEAD(s):

Set Lead 1: (Info)

NEW YORK

AT WHITE PLAINS, NY

Will conduct appropriate investigation related to [redacted] b7E

[redacted] b6 b7C b7E

Set Lead 2: (Info)

INTERNATIONAL OPERATIONS

AT IO1, D.C.

Read and clear.

Set Lead 3: (Info)

LONDON

AT LONDON, U.K.

Read and clear.

♦♦

[redacted] ec

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UPLOADED
WITH/TEXT ✓
WITH/OUT TEXT
BY [redacted]
DATE 8/24/04

2723-NY-289364
SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
AUG 18 2004
FBI — NEW-YORK
[redacted]

5

(Rev. 01-31-2003)

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/18/2004

To: Berlin **Attn:** Legat
New York

From: New York
C-21/White Plains RA
Contact: SA

Approved By:

Drafted By:

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b7C
b7E

Case ID #: (Pending)
272B-NY-289364 (Pending)

Title:
BAYOU MANAGEMENT;
OO:NY

Synopsis: Results of record checks and initial investigation into

b6
b7C

Reference:

b3
b7E

Details: An IMMEDIATE lead was set to Squad C-4 by EC dated 08/09/2004 requesting information; however, the lead was never set to C-21, and C-21's response is based upon several telcalls with ALAT By telcall in the late afternoon of Friday, August 13, 2004, SSA Squad C-21 was advised by ALAT of the unusual activity regarding (DOB and his bank accounts in Germany.

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A check of

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UNCLASSIFIED

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[redacted]

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b7E

A criminal history check of [redacted]

b6
b7C

[redacted]

b3
b7E

[redacted]

b6
b7C

A criminal history check for [redacted]

b6
b7C

[redacted]

A criminal history check of [redacted]

b6
b7C

[redacted]

A check of ACS revealed the following. [redacted]

b6
b7C
b7D

[redacted]

BAYOU was the subject of a consent order from the State of Connecticut, Department of Banking, wherein BAYOU was fined $7,500 for maintaining records which did not fully reflect the securities business transacted by BAYOU.

Based on the foregoing it appears that BAYOU, [redacted] have been involved for many years in questionable activity and it is warranted that they be further investigated.

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♦♦

UPLOADED
WITH TEXT ✓
WITHOUT TEXT
BY [redacted]
DATE 9/10/04

[redacted].WPD

11
272B-NY-289364

SEARCHED [redacted] INDEX [redacted]
SERIALIZED FILED
SEP 2 2004
FBI — NEW YORK
[redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

b6
b7C

Date of transcription 08/30/2004

[redacted] born in [redacted] residing at [redacted] home telephone [redacted] office telephones [redacted] and [redacted] was telephonically interviewed on August 26, 2004 by Financial Analyst [redacted] After being advised of the identity of the interviewer and the nature of the interview, [redacted] provided the following information.

In June or July of 2004, [redacted] switched his retirement fund managers from GOLDMAN SACHS to CHARLES SCHWAB (SCHWAB) and LYDIAN WEALTH MANAGEMENT (LYDIAN). [redacted] stated that he transferred a significant amount of money via several wire transfers during this time in order to effect this change. The $800,000 wire transfer from one of his SCHWAB accounts to a BAYOU MANAGEMENT account on 06/30/04, is one of these transfers. [redacted] noted that the money invested through SCHWAB and LYDIAN is his and [redacted] personal money and that it is being invested for retirement purposes. [redacted] willingly invested this money and has no reason to believe he and his wife are the victims of any fraud.

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[redacted] stated that he does not know [redacted] nor has he ever heard of him. [redacted] learned of BAYOU through LYDIAN. [redacted] noted that investment advisors from LYDIAN reviewed several investment portfolios with [redacted] and that they recommended 15 or 16 funds for him to invest in. One of the funds they recommended was a BAYOU hedge fund. Based on these recommendations, [redacted] executed the requisite documents to allow the fund transfers to be processed, including the $800,000 transfer from SCHWAB to BAYOU.

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[redacted] stated that LYDIAN, which is based in Rockville, Maryland, is a well respected investment company which manages billions of dollars. [redacted] deals with [redacted] telephone [redacted] and [redacted] telephone [redacted] at LYDIAN.

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[redacted] advised that [redacted] ANTEON INTERNATIONAL. ANTEON is a systems integration company which designs and develops computer systems for the government, including U.S. intelligence agencies. [redacted] does not work in the investment and/or finance industries.

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Investigation on 08/26/04 at White Plains RA (telephonically)

File # 272B-NY-289364 Date dictated 08/30/04

by FA [redacted]

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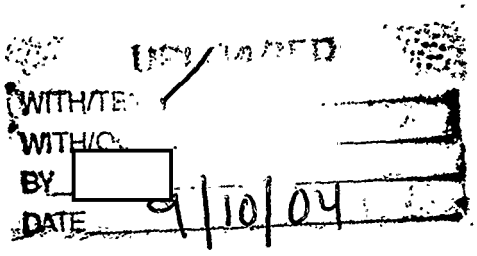

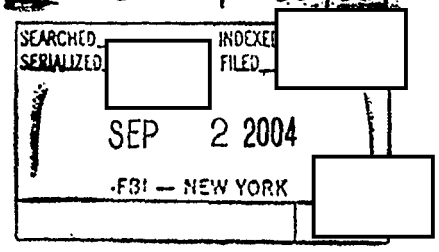

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FREESTONE302.WPD

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/31/2004

[redacted] FREESTONE CAPITAL MANAGEMENT, INC. (FREESTONE), 1191 Second Avenue, Suite 2100, Seattle, WA 98101, office telephone number [redacted] was telephonically interviewed on August 26, 2004 by Financial Analyst [redacted] After being advised of the identity of the interviewer and the nature of interview, [redacted] provided the following information.

[redacted] is familiar with [redacted] and BAYOU MANAGEMENT (BAYOU). [redacted] is one of approximately 70 hedge fund managers with which FREESTONE invests money. BAYOU is the hedge fund that [redacted] manages. FREESTONE has tracked the performance of BAYOU [redacted] for approximately the last three or four years. FREESTONE liked the results and started investing with BAYOU in December of 2003. FREESTONE LOW VOLATILITY PARTNERS (FLVP) is an investment partnership under the auspices of FREESTONE. FLVP is a "fund of funds", which [redacted] described as a fund of hedge fund managers. [redacted] noted that FLVP and FREESTONE are both registered with the SEC.

[redacted] confirmed that FLVP wire transferred $1,000,000, through HARRIS BANK in Chicago, to a BAYOU account on 07/07/04. [redacted] obtained a copy of the wire transfer receipt while on the phone with FA [redacted] and verified that the money went to the correct BAYOU account. [redacted] advised that this wire transfer was one of several to BAYOU within the last eight months. [redacted] added that FLVP wired money to BAYOU on a monthly basis and that some of these transfers were for amounts greater than $1,000,000. The purpose of these transfers is to invest FREESTONE client money in the BAYOU hedge fund. [redacted] noted that most of these transfers are wired to bank accounts entitled BAYOU MANAGEMENT, LLC and BAYOU ACCREDITED FUND, LLC.

[redacted] stated that the only thing that was unusual about the $1,000,000 transfer on 07/07/04, was that it got "bumped" back twice before the wire finally went through on the third attempt. [redacted] added that FREESTONE's wire transfers to hedge funds normally go through on the first or second of the month, however, this transfer did not go through until the seventh of the month, due to it being "bumped" back on two occasions. [redacted] considered this to be unusual but not very suspicious.

Investigation on 08/26/04 at White Plains RA (telephonically)

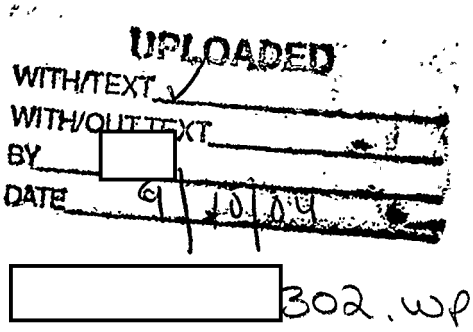
File # 272B-NY-289364 Date dictated 08/30/04

by FA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] advised that he has no reason to believe that FLVP or FREESTONE have been defrauded by BAYOU or [redacted] stated that [redacted] has been "around for a while" and that he would be surprised if he were involved in criminal activity. BAYOU's financial statements are audited on a regular basis. BAYOU is a member of and registered with the NASD. Employees from FREESTONE went to BAYOU's offices located at 40 Signal Street in Stamford, Connecticut approximately two or three months ago. According to [redacted] BAYOU appeared to be a legitimate operation. [redacted] added that in the late summer of 2003, before FREESTONE invested any money with BAYOU, FREESTONE performed due diligence on BAYOU/[redacted] and everything checked out fine. [redacted] believes a CPA firm by the name of RICHMOND FAIRFIELD performed the due diligence for FREESTONE. [redacted] explained that BAYOU's structure is similar to most hedge funds and that the majority of these funds have offshore entities and bank accounts. [redacted] noted that it is common for hedge funds to have millions of dollars transferred in and out of their accounts on a monthly basis. [redacted] knows of two other "fund of funds" that invest money with BAYOU. b6 b7C

[redacted] advised that representatives from FREESTONE have spoken directly with [redacted] in the past, however, an individual by the name of [redacted] is their current contact at BAYOU. b6 b7C



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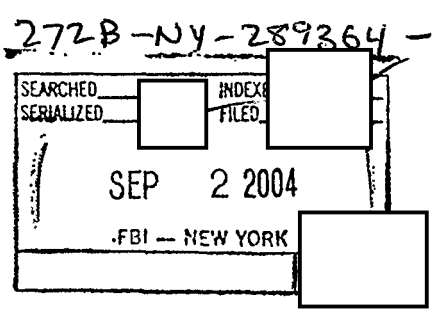

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/02/2004

[redacted] FREESTONE CAPITAL MANAGEMENT, INC. (FREESTONE), 1191 Second Avenue, Suite 2100, Seattle, WA 98101, office telephone number (206) 398-2008, contacted FA [redacted] via telephone on August 31, 2004. [redacted] provided the following information.

[redacted] stated that he had been thinking about our recent telephone conversation (08/26/04) and that, in his opinion, it just doesn't make sense that [redacted] would be involved in fraudulent activity. Hedge fund managers are some of the highest paid people in the industry. The BAYOU HEDGE FUND (BAYOU) probably has more than 200 million dollars in it's investment portfolio at any given time. [redacted] is most likely paid three to five million dollars a year to manage BAYOU. [redacted] questioned [redacted] incentive to be involved in something criminal and asked why would he jeopardize this amount of money and prestige.

[redacted] described BAYOU as a large and established hedge fund with a track record of five to six years. If he was told one of the hedge fund managers that FREESTONE deals with was committing fraud, [redacted] would think it was one of the smaller, start-up hedge funds, not BAYOU and [redacted]

Investigation on 08/31/04 at White Plains RA (telephonically)

File # 272B-NY-289364 Date dictated 09/01/04

by FA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

UPLOADED
WI
WITH EXT
BY
DATE 9/10/04

.WPD

272B-NY-289364-14

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SEARCHED
SERIALIZED
INDEXED
FILED

SEP 2 2004

FBI — NEW YORK

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE Date: 09/02/2004

To: Berlin Attn: ALAT [redacted] b6 b7C b7E

From: New York
Squad C-21 / White Plains Resident Agency
Contact: FA [redacted]

Approved By: [redacted]

Drafted By: [redacted]

1 & 2 [redacted]

Case ID #: 272B-NY-289364 (Pending) -14
[redacted] (Pending) b3 b6 b7C b7E

Title: [redacted]
BAYOU MANAGEMENT;
OO:NY

Synopsis: Lead 1 in referenced Electronic Communications has been covered.

Reference: 272B-NY-289364 Serial 4
[redacted] b3 b7E

Enclosure(s): Enclosed for Legat Berlin are copies of the following:

1) An FD-302 of the interview of [redacted] on 08/26/04; b6 b7C

2) An FD-302 of the interview of [redacted] FREESTONE CAPITAL MANAGEMENT on 08/26/04;

3) An FD-302 of the interview of [redacted] FREESTONE CAPITAL MANAGEMENT on 08/31/04

Details: The interview of [redacted] determined that he and [redacted] knowingly and willingly invested $800,000.00 in a BAYOU MANAGEMENT hedge fund via wire transfer on 06/30/04. The [redacted] invested money with BAYOU and others at the recommendation of investment advisors from LYDIAN WEALTH MANAGEMENT in Rockville, Maryland. The [redacted] have no reason to believe that they are the victims of any fraud relating to the BAYOU investment. b6 b7C

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The interviews of [redacted] from FREESTONE CAPITAL MANAGEMENT determined that FREESTONE LOW VOLATILITY PARTNERS knowingly and willingly invested $1,000,000.00 in a BAYOU MANAGEMENT hedge fund via wire transfer on 07/07/04. [redacted] obtained a copy of the wire transfer receipt and verified that the funds were transferred to the correct BAYOU account. [redacted] stated that FREESTONE has tracked BAYOU's performance for years and that they started investing money in BAYOU in December of 2003. [redacted] stated that he has no reason to believe that FREESTONE has been defrauded by BAYOU or [redacted] and that he would be surprised if [redacted] were involved in criminal activity.

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FA [redacted] spoke with [redacted] investigator [redacted] on 08/27/04 regarding [redacted]

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[redacted]

The connection/nexus between [redacted] is described as follows.

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[redacted]

For Legat Berlin's information, [redacted] advised that

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b7E

[redacted]

[redacted] New York/White Plains

To: Berlin From: New York
Re: 272B-NY-289364 (Pending) [redacted] b3 b7E
09/02/2004

RA will follow up [redacted] relay information to Legat Berlin if found to be relevant to the [redacted] /BAYOU investigation. b6 b7C b7E

It should be noted that FA [redacted] communicated the above information to A/ALAT [redacted] and ALAT [redacted] via telephone calls on 08/27/04 and 08/29/04, and a Group Wise e-mail to Legat Berlin on 08/27/04. b6 b7C

The New York Office considers lead 1 in the referenced communications covered and requests that it be closed.

♦♦

Subfile. EC)

UPLOADED
WITH/TEXT ✓
WITHOUT TEXT
BY
DATE 10/4/04

277A-NY-279364 -15

SEARCHED
SERIALIZED
INDEXED
FILED

SEP 28 2004

FBI — NEW YORK

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b7C

(Rev. 08-28-2000)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 09/28/2004

To: New York **Attn:** C-21 Rotor [redacted] b6 b7C b7E

From: New York
C-21/White Plains RA
Contact: SA [redacted]

Approved By: [redacted]

Drafted By:

Case ID #: 272B-NY-289364 (Pending)

Title: [redacted] b6 b7C
BAYOU MANAGEMENT;
OO:NY

Synopsis: Creation of case subfiles.

Details: It is requested the following subfiles be created in order to organize various components of the captioned investigation:

Sub 302	FD-302
Sub CE	Case Expenditures
Sub BC	Background
Sub IN	Inserts
Sub ELA	Elsur Administrative
Sub NC	Newspaper Clippings
Sub PR	Press Releases
Sub SBP	Subpoenas
Sub FISUR	Physical Surveillance Logs
Sub FF	Forfeiture
Sub GJ	Grand Jury/Subpoena
Sub H	Communications to FBIHQ
Sub I	Communications from FBIHQ
Sub K	Communications to other Field Offices

♦♦

(Rev. 01-31-2003)

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b7C

FEDERAL BUREAU OF INVESTIGATION

[redacted]

Precedence: ROUTINE **Date:** 09/29/2004

To: New York

From: New York
C-21/White Plains
Contact: SA [redacted] b6 b7C b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 272B-NY-289364 (Pending)
[redacted] (Pending) b3 b6 b7C b7E

Title: [redacted]
BAYOU MANAGEMENT;
OO:NY

Synopsis: [redacted] checks. b3 b6 b7C b7E

Enclosure(s): E-mail from ASAC [redacted] dated September 24, 2004.

Details: On September 24, 2004, an e-mail was received by ASAC [redacted] regarding a request for record checks [redacted] ASAC [redacted] advised that [redacted] b3 b6 b7C b7E

[redacted]

♦♦

UPLOADED
WITH TEXT
WITHOUT TEXT
BY [redacted]
DATE 9/29/04

-16
272B-NY-289364 b6 b7C
SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
SEP 29 2004
FBI — NEW YORK

[redacted](NY) (FBI)

b3
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b7C
b7E

From: [redacted](NY) (FBI)
Sent: Monday, September 27, 2004 8:58 AM
To: [redacted](NY) (FBI)
Subject: FW[redacted]

UNCLASSIFIED
NON-RECORD

-----Original Message-----
From: [redacted](NY) (FBI)
Sent: Friday, September 24, 2004 3:32 PM
To: [redacted](NY) (FBI)
Subject: RE: [redacted]

b3
b6
b7C
b7E

UNCLASSIFIED
NON-RECORD

[redacted] If anything additional comes in later I will let you know.

-----Original Message-----
From: [redacted](NY) (FBI)
Sent: Tuesday, September 21, 2004 2:06 PM
To: [redacted](NY) (FBI)
Subject: [redacted]

b3
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b7C
b7E

UNCLASSIFIED
NON-RECORD

[redacted]

b3
b6
b7C
b7E

As we discussed yesterday, my squad has a significant money laundering/white collar case involving two individuals [redacted]

[redacted]

[redacted]

b6
b7C
b7E

[redacted]

b6
b7C
b7E

UNCLASSIFIED

UNCLASSIFIED

UNCLASSIFIED

UPLOADED
WITH/TEXT ✓
WIT
BY
DATE 10/13/04

272B-NY-289364-17
SEARCHED
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FBI — NEW YORK

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U.S. Department of Justice

[redacted] b3 b6 b7C b7E

Federal Bureau of Investigation

File No. [redacted]
272B-NY-289364

United States Embassy
Office of the Legal Attache
Clayallee 170
14195 Berlin

13 October 2004

[redacted] b6 b7C b7D

Subject: Suspicion of Money Laundering by [redacted] date of birth [redacted] and Bayou Management. b6 b7C b7D

Ref. Your Case File #: [redacted]

Lieber [redacted] b6 b7C b7D

Please note that the information provided with this letter is being given to [redacted] for intelligence and investigative purposes only. This information cannot be used in any criminal proceedings, or presented in Court without first obtaining approval of the FBI, and U.S. Department of Justice through an official Letter Rogatory request.

In order to assist [redacted] investigate the suspicious transfer [redacted] b7D
[redacted]
[redacted] copies of the following reports have been enclosed with this letter:

1-Addressee
[redacted]
1-272B-NY-289364 - 17
[redacted]
[redacted] wpd (prepped) b3 b6 b7C b7D b7E

C21

1. Report of Interview with [redacted] date of report, 30 August 2004, FBI File #: 272B-NY-289364, Serial 11. b6 b7C

2. Report of Interview with [redacted] date of report, 31 August 2004, FBI File #: 272B-NY-289364, Serial 12. b6 b7C

3. Report of Interview with [redacted] date of report, 02 September 2004, FBI File #: 272B-NY-289364, Serial 13. b6 b7C

4. Report of Interview with [redacted] date of report, 21 September 2004, FBI File #: 272B-NY-289364, Serial 2. b6 b7C

5. Report of Interview with [redacted] date of report, 28 September 2004, FBI File #: 272B-NY-289364, Serial 3. b6 b7C

6. Report of Interview with [redacted] date of report, 28 September 2004, FBI File #: 272B-NY-289364, Serial 4. b6 b7C

7. Report of Interview with [redacted] date of report, 22 September 2004, FBI File #: 272B-NY-289364, Serial 5. b6 b7C

8. Report of Interview with [redacted] date of report, 30 September 2004, FBI File #: 272B-NY-289364, Serial 6. b6 b7C

9. Report of Interview with [redacted] date of report, 30 September 2004, FBI File #: 272B-NY-289364, Serial 7. b6 b7C

10. Report of Interview with [redacted] date of report, 07 October 2004, FBI File #: 272B-NY-289364, Serial 8. b6 b7C

The FBI office in White Plains, New York has received bank transfer records for the Bayou Management LLC account with Citibank, account number 48916480. After these records have been reviewed, results will be shared with [redacted] b7D

The FBI has received from [redacted] some details regarding [redacted] b7D

[redacted]

[redacted] b7D

[redacted] b6 b7C b7D

[redacted] b6 b7C b7D

The FBI requests the following assistance from [redacted]

[redacted] b6 b7C b7D

Due to the ongoing efforts with [redacted] copies of the FBI reports identified above, and the information contained in this letter will also be sent to [redacted] b6 b7C b7D

The FBI greatly appreciates your cooperation in this matter, and looks forward to helping [redacted] Please send your response to Berlin. I will forward your results to the FBI office in New York. If you have any questions, please contact me at [redacted] b6 b7C b7D b7E

Mit freundlichen Grüßen

[redacted] b6 b7C
Assistant Legal Attache

Encl.
10 - Copies of the FBI reports listed above.

UPLOADED
WITH/TEXT
WITH/[redacted]
BY [redacted]
DATE 10/19/04

2723-NY-289364-19

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
NOV 1 2004
FBI — NEW YORK
[redacted]

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b7C

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

[redacted] b6 b7C

Precedence: ROUTINE **Date:** 10/13/2004

To: International Operations **Attn:** IO1
SSA [redacted] b6 b7C

New York **Attn:** C-21/White Plains RA
SA [redacted] b7E
FA

Berlin **Attn:** ALAT

From: Berlin
Contact: [redacted]

Approved By: [redacted] b3 b6 b7C

Drafted By: [redacted] b7E

Case ID #: [redacted]
272B-NY-289364 (Pending) - 19

Title: [redacted]
BAYOU MANAGEMENT;
OO:NY

Synopsis: This EC documents the passage of information [redacted] b7D regarding captioned investigation. [redacted] have advised Berlin of some [redacted] involving the [redacted]

Reference: [redacted] b3 b7E

Administrative:
-Reference telephone conversations, and Group Wise E-mail, between SA [redacted] FA [redacted] and ALAT [redacted] on 09/30/2004, and 10/08/2004, regarding FBI White Plains sharing b6 b7C

C21

To: International Operations From: Berlin
Re: [redacted], 10/13/2004 b3 b7E

FD-302s with [redacted] In order to help [redacted] prepare for an interview with [redacted] ALAT [redacted] told SA [redacted] to fax copies of FD-302's, which documented previous interviews with [redacted] by the White Plains RA, [redacted] b6 b7C b7D

-Legat Berlin has requested [redacted] As soon as [redacted] is received it will be forwarded to FBI New York, White Plains RA. b6 b7C b7D

Enclosure(s): For Legat Berlin, the following information received from [redacted] b7D

[redacted] b6 b7C b7D

Details: Referenced [redacted] are letters from Legat Berlin to [redacted] documenting shared information gathered by FBI White Plains pertaining to a joint investigation of suspected money laundering by [redacted] BAYOU MANAGEMENT, LLC. b3 b6 b7C b7D b7E

[redacted] were interviewed by FBI White Plains. These interviews are documented in the following FD-302's: b6 b7C

[redacted] b3 b7E

[redacted] intended to interview [redacted] the Polaris Group, in an effort to learn why BAYOU MANAGEMENT had transferred [redacted] According to [redacted] b6 b7C b7D

To: International Operations From: Berlin
Re: [redacted] 10/13/2004

b3
b7E

[redacted] and FBI White Plains has learned that [redacted] traveled to Europe to speak with [redacted] in October. In order to help [redacted] prepare for an interview of [redacted], the Serials above were shared with [redacted]

b6
b7C
b7D

Legat Berlin has received [redacted] with the following details:

b7D

[redacted]

b6
b7C
b7D

[redacted]

b4
b6
b7C
b7D

[redacted]

b7D

[redacted]

b4
b6
b7C
b7D

To: International Operations From: Berlin
Re: [redacted], 10/13/2004 b3 b7E

[redacted] b6 b7C b7D

On 10/12/2004, [redacted] interviewed [redacted] at [redacted] b6 b7C
[redacted] Also present during the interview was [redacted] b7D
[redacted] Legat Berlin received a copy of the interview via facsimile machine, in German. This report has been forwarded to FBIHQ, Language Services for a translation. Legat Berlin will forward the translation to FBI New York, White Plains RA as soon as it is received from Language Services. Copies of accompanying documents provided by [redacted] during the interview will also be provided to FBI White Plains along with the translated report. Legat Berlin has reviewed the report of interview, and notes from [redacted] A summary of the most important points from the interview follows:

[redacted] b6 b7C b7D

b3
b7E

[redacted]

b6
b7C
b7D

[redacted]

b7D

NOTE: [redacted] has requested the FBI determine [redacted]

b7D

[redacted] made the following points as a result of their interview:

b7D

[redacted]

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b7D

To: International Operations From: Berlin
Re: [redacted] 10/13/2004 b3 b7E

[redacted] b7D

When FBI White Plains RA has completed its review of [redacted] Legat Berlin will share these results with [redacted] b7D

On 10/13/2004, [redacted] contacted Legat Berlin and shared the following information: b7D

[redacted] b6 b7C b7D

In referenced [redacted] Legat Berlin has requested [redacted] provide any further details they have collected regarding the movement of funds from [redacted] Berlin will provide any new information from [redacted] to FBI White Plains as soon as it is received. b3 b7D b7E

C-21

U.S. Department of Justice

Federal Bureau of Investigation

[redacted] b3

File No. [redacted] b3
272B-NY-289364 b6
b7C
b7E

Office of the Legal Attache
Clayallee 170
14195 Berlin

19 August 2004

[redacted] b6
b7C
b7D

Dear [redacted]

In response to your earlier request for FBI assistance into the suspected money laundering activities of [redacted] and Bayou Management LLC, the White Plains Resident Agency (WPRA) of the FBI New York Office has opened a Money Laundering investigation (FBI Case file #: 272B-NY-289364) on [redacted] and his associates: [redacted] (Date of Birth: [redacted] and [redacted] aka [redacted] (Date of Birth: [redacted]. b6 b7C

The WPRA investigation to date has determined [redacted] b6 b7C b7E

1 - Addressee
[redacted]
1 - 272B-NY-289364-1
[redacted]

272B-NY-289364-1
SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
SEP 23 2004
FBI — NEW YORK
[redacted]

b3 b6 b7C b7D b7E

[redacted]